

### FRENCH ASSEMBLY VOTE

- I. French National Assembly's larger-than-expected 18 Oct vote of confidence on Faure's Algerian program probably assures him of tenure during coming Geneva conference, even though most deputies no longer really have confidence in Faure.
  - A. Many of 308 who voted in his favor supported Faure because they feared consequences of a cabinet crisis and because France's international position was at stake.
  - B. Vote (308 to 254) was also more representative of Faure's original right-center majority than was 9 Oct vote (426 to 136) on Morocco.
  - C. 44 Peasants and ARS (Gaullist dissidents)--who had voted against his Moroccan policy--switched to his support, largely because of foreign minister Pinay's

- D. Socialists and Communists, who had given him 200 votes on Moroccan issue, voted en bloc against him on Algeria.
- E. However, less than a quarter of the 69 GRS (Gaullists) supported Faure.
  - 1. GRS has been a mainstay of Faure cabinet.

II. Faure's prospects are therefore not bright.

- A. His necessary concentration on Geneva during next few weeks will leave him open to attacks from left for failing to give priority to North Africa. Rightists in turn, will exploit the issue of nationalist disorders in Africa.

q B. Other problems that could serve as pretext to overthrow Faure:

- 1. He will soon be obliged to seek assembly approval for additional budgetary funds.
- 2. There are prospects of increasing labor unrest.

III. Nevertheless, most Assembly deputies remain reluctant to provoke a cabinet crisis so close to time for elections (which must be held by June 1956).

- A. Rightist deputies fear both a possible return of Mendes-France to premiership and the danger that, <sup>EVEN</sup> if kept out of office, Mendes might have a more conservative cabinet than Faure's to attack.
- B. Leftist leaders are reluctant to accept cabinet responsibility so late in Assembly's life.
- C. Most deputies increasingly reluctant to take on responsibility of premiership now.
- D. Finally, in view of the increasing difficulty in obtaining Assembly approval of a premier, many fear that an impasse might occur that could only be settled by dissolution of parliament and an advance in the election day.

1. Most deputies, however, hope to use all of next 8 months to make changes in electoral law and to develop election alliances.

COMPARISON OF 9 AND 18 OCTOBER VOTES

Party	Strenght	<u>9 Oct Vote</u> <u>on Morocco</u>		<u>18 Oct Vote</u> <u>on Algeria</u>	
		For	Against	For	Against
Communist-Bloc	98	98			91
Socialists	105	103			100
UDSR	24	21		14	2
Radicals	75	68	5	71	2
MRP	86	84	3	85	1
Overseas Ind.	16	16		14	
Independents	56	39	13	43	6
Peasants	21	7	13	14	4
Ind. Peasants	28	4	22	19	4
Social Reps (GRS)	69	4	55	15	39
ARS	34	5	25	27	2
Unaffiliated	15	13		6	3
	627*	426	136	308	254

Absent and

INDONESIAN ELECTIONS

I. Based on latest available unofficial returns (Pan-Asia, 20 Oct), the leaders in the Indonesian election rank as follows:

	Vote	Percent of Total Vote
National Party (PNI)	7,663,000	25.0
Masjumi	7,632,000	24.9
Nahdlatul Ulama (NU)	6,661,000	21.4
Communist Party (PKI)	6,017,000	19.6

A. Earlier return figures (UP, 14 Oct) showed all other parties with a grand total of only 2,600,000 votes, or 8.5%.

B. Thus far, some 30.6 million votes have been counted.

II. "Allocation" of parliamentary seats by districts is such that, despite PNI's narrow lead in the voting, the Masjumi majority in areas outside Java may win it a slightly greater number of

- A. US Embassy Djakarta estimates that, in the "first allocation" by districts, Masjumi will get 43 seats, the PNI 41, NU 36, and Communists 34 (for a total of 194 out of 257 elected seats).
- B. However, subsequent allocations, which permit "linking" of parties, could upset this slight Masjumi advantage.

III. Arrangements for elections in areas by-passed on 29 September are progressing.

- A. Members of army and police force (totalling 250,000) voted 15 October.
- B. Elections have been scheduled in East Atjeh (part of a dissident area in Sumatra) for late October and early November.

IV. Meanwhile, confusion over possible restaging of election in populous Central Java (where PNI and Communists are charged with irregularities affecting some 3 million

- A. Central Election Committee has not voiced an opinion on a re-run.
- B. Masjumi fears the election law is not sufficiently specific and is pressing for an emergency law on subject of re-voting.
- V. In the interim, both PNI and Masjumi apparently are trying to line up political allies.



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1. "Moslem parties" would include Masjumi, NU, the minor PSII (Indonesian Islamic League) and probably any other small Moslem parties that managed to survive elections.

B. "NATIONALIST POLITICAL PARTIES" ARE

REPORTEDLY PLANNING A MERGER,  
WHICH MAY MEAN A PNI DRIVE TO BUILD  
A COALITION WITH SMALL NON-RELIGIOUS  
PARTIES.

[REDACTED]  
[REDACTED] NATIONALIST

PARTY PRESS CALLS FOR MASJUMI to FORM  
~~NATIONALIST-MASJUMI~~ COALITION  
GOVERNMENT.

VI. FINAL COMPOSITION OF CABINET, HOWEVER,

WILL BE INFLUENCED BY SEVERAL FACTORS:

A. STRUGGLE FOR PARTY LEADERSHIP BETWEEN

RIGHT AND LEFT WINGS WITHIN PNI.

B. ATTITUDE OF PRESIDENT SUKARNO TOWARD

INTERNAL PNI STRUGGLE.

1. SHOULD LEFT WING, REPORTEDLY

FAVORED BY SUKARNO, WIN PARTY

LEADERSHIP, CO-OPERATION WITH

MASJUMI WOULD BECOME MUCH MORE DIFFICULT.



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C. OUTCOME OF "MOSLEM PARTY" DISCUSSIONS,  
AND POSSIBILITY THAT MASJUMI AND NU MAY  
PRESENT UNITED FRONT.

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- INDONESIA BACKGROUND -  
ALLOCATION OF PARLIAMENTARY SEATS

- I. The new parliament's 257 elected seats will be distributed to the various parties by a proportional process involving as many as four possible "allocations."
  - A. The first two of these allocations are to be on a district level, and the last two on a national level.
  - B. The "allocation" procedure will stop, of course, as soon as all 257 seats are handed out--which might even occur at the very first "allocation."
- II. "First Round" of "allocation" (District level): First, the number of seats allotted to the District are divided into the total valid vote cast in the District, to determine the number of votes required to win one seat. This is the "District Quota" for the "First Round."

A. Then the vote for each Party is

counted, and a seat assigned to that party for every "quota" of votes it has received.

B. Any party which has not polled enough to total a single "quota" misses out altogether on the "First Round."

C. Any party which, after winning one seat for each "quota" voted, has some left-over votes (less than a "quota"), holds over these extra votes until the "Second Round."

III. "Second Round" of "allocation" (also District level): Now, at the conclusion of the "First Round," there will be a good many votes for parties which do not add up to a "quota" and, conversely, there will be a few seats (equal in number to the total of these fractional "quota" votes) not yet awarded. This is the raw material for the "Second Round."

- A. These remaining seats are divided into the remaining vote to determine the new "quota" required to win a "Second Round" seat. The new "quota" could easily be a larger or smaller figure than won a seat on the "First Round."
- B. This remaining vote is again counted by parties, and those whose votes total the new "quota" get one of the remaining seats.
- C. However, a complication now appears, since "linking" (combining the returns of two or more parties) is permitted in the "Second Round." Example: three or more minor parties could combine their sub-"quota" remainders to make up a full "quota" and thus be assigned a seat. The problem of who would occupy the seat would then be thrashed out among the "linkers."

IV. If all 257 elected seats have not been

allocated by the end of the "Second Round," the process enters its "Third Round," this time at the National level.

- A. The Central Election Committee adds together all votes remaining after the first two rounds, as well as all remaining unallocated seats, and by division derives a third "quota" figure--the number of votes needed to win one of the remaining seats.
- B. These remaining votes are again counted by parties, who again may "link" as they choose, and those who attain a "quota" are awarded a seat.

V. In the event that the "Third Round" has not resulted in all remaining seats being assigned, the process enters its fourth and final round.

- A. Those parties or "linked" parties who possess the largest number of left-over votes receive any remaining seats.

### CHINESE WITHDRAWALS FROM KOREA

I. In light of such "spirit of Geneva" actions as the Soviet withdrawal of forces from Austria and relinquishment of the Finnish naval base at Porkkala, Peiping's announcement (29 Sep) that six more Chinese Communist divisions (roughly two Armies) are to be withdrawn from Korea takes on a special significance.

A. This is the third such public announcement of ChiCom troops withdrawals from Korea since the Armistice (July '53): on each of the previous occasions (Sep '54 and Apr '55) forces totalling some two Armies have been formally marched past the Neutral Nations inspection teams.

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B. The present withdrawal began on

8 October and is still in progress.

Upon its completion, remaining ChiCom forces in Korea will total some 350,000 (or about 5 Armies) which, together with some 329,000 North Korean troops, will for the first time be actually outnumbered by the 750,000 UN forces (of whom 685,000 are ROK).

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A. Three of the remaining ChiCom Armies are in front-line positions, while the other two are flanked to east and west, both in opposition to possible seaborne moves against Wonsan or Chinnampo and in support of the <sup>3</sup>front-line Armies.

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III. Under these circumstances, it appears that the logical military step of total withdrawal would also provide the Bloc with a strong psychological position in the general "Geneva spirit."

- A. Following such a possible total withdrawal, the ChiComs could charge that the 70,000 Allied forces remaining in Korea were stationed there for offensive purposes and point, in contrast, to the absence of any ChiCom forces.
- B. Moreover, this pious Communist position could be achieved at little cost to combat-readiness, since their withdrawn Armies--stationed in Manchuria--could re-enter Korea in a matter of weeks



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C. The Communists, therefore, have much to gain and little to lose by a <sup>FUTURE</sup> complete ChiCom withdrawal from Korea, thus facing the US and the UN with propaganda pressure to withdraw Allied forces from Korea, and we believe that the possibility of such an occurrence should be brought to the Council's attention.

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## EGYPTIAN ARMS DEAL & MIDDLE EAST

### I. Present Egyptian arms deal with Czechs

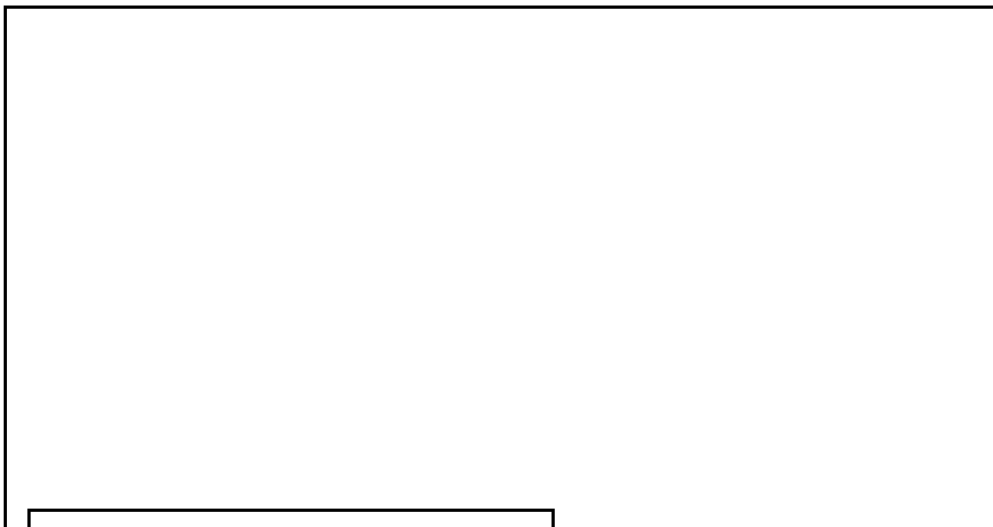


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1. Nasr reportedly expressed interest  
in bartering cotton for artillery



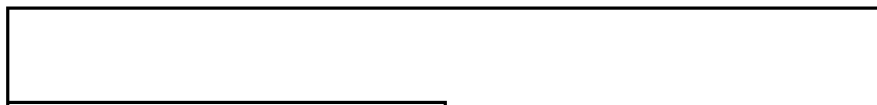
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US officials in

Egypt were given strong direct and  
indirect statements by Egyptian spokes-  
men to the effect that Egyptians were  
under strong pressure from the USSR to  
accept Soviet aid on massive scale.

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the USSR was making  
attractive arms offers, including  
"100 MIGs and 200 tanks."

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Egyptians had agreed <sup>to</sup> arms

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deal with USSR, gave such particulars  
as 200 jet plans, 100 tanks. Czechs  
were to act as front for deal.

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two Soviet freighters

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are now en route to

Alexandria,

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[redacted] position of Premier Nasr vis-a-vis US in past year has appeared to be puzzlingly many-sided. In conversations with US officials during entire period, Nasr has repeatedly emphasized weakness of his position, his fears of Israel and need to secure arms. These have been the factors motivating his actions.


- A. Following Israeli attack on Gaza (Feb '55), Nasr became obsessed with Egyptian need for more military equipment.
- B. The Egyptians made repeated requests for US arms aid during the past year and--started <sup>via</sup> in June '55--these requests were often accompanied by reference to Nasr's "consideration" of Bloc arms offers.
- C. Nasr has repeatedly emphasized his determination not to be "taken in" by the Communists and to continue co-

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D. We believe that Nasr will indeed do all he can to make his Bloc arms deal nothing but straight commercial transaction.

1. We expect he will do his best to keep Communist influence out of Egypt.
2. However, Nasr's success in doing this will depend, at least in part, on extent of pressure Bloc can now apply to him.
3. Will also depend in part on the future development of Egyptian relations with the US and the

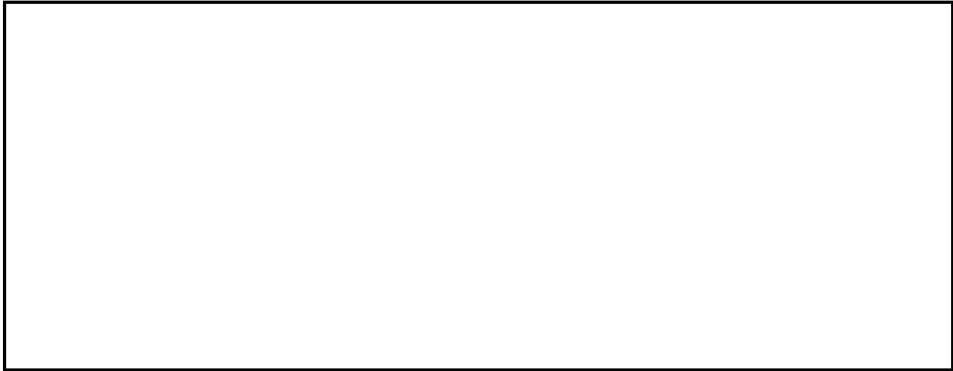


  
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V. Elsewhere in Middle East, Syrians, Saudis,  
Sudanese and even Yemenis are dickering  
with USSR for arms.

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C. In early October, Ambassador Solod told Nasr that Sudanese had approached USSR for arms. Ambassador suggested Soviet arms might be furnished through Egypt. [Flattering Egypt]

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ruler of Yemen has ordered

to establish relations

with USSR and Czechs, ~~to~~ try <sup>to</sup> get arms from them.

VI. In present posture, instability of Syria poses particularly serious problem for West.

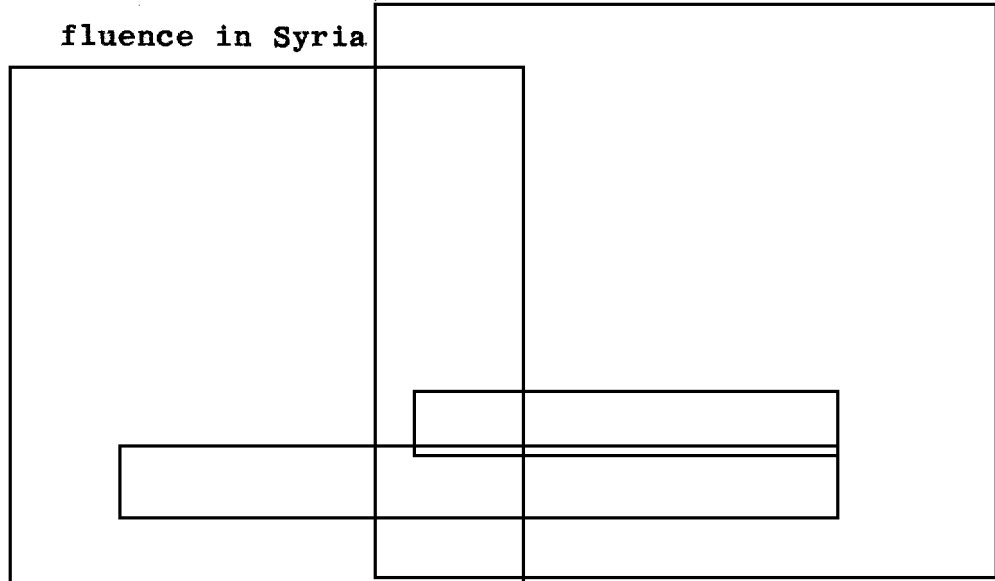
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- A. US Embassy Damascus, on 14 Oct, pointed to continuing decline in stability and Western influence.
  - 1. Embassy sees this as result of inability pro-Western elements to work together in face enthusiastic determination of neutralist and leftist Syrian elements.
  - 2. Embassy believes leftist influence may become strong enough to defeat even a determined effort to reorient Syria toward West.
- B. Present political climate in Syria is favorable to Bloc offers of aid.
- C. According to story in "Alif Ba" (independent and reputable Damascus daily), Soviets and Czechs are interested in selling arms directly to Syria, rather than through Egypt.

D. A side reaction has appeared in neighboring Iraq, where Prime Minister Nuri professes to be particularly alarmed by prospects of growing Communist influence in Syria

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ADD MIDDLE EAST - ARAB PACT REVIVED?

I. Late press reports from Cairo and other Arab capitals state that Egypt and Syria signed a military aid agreement on 20 October.

A. Agreement reportedly calls for unified command and mutual aid in event of an Israeli attack.

B. One press report alleges that a similar military agreement will be concluded between Syria and Lebanon.

II. The Egypt-Syria agreement revives, in a new form, the proposed Egyptian-Syrian-Saudi pact -- which Cairo sought in vain last spring, in reaction to Iraq's adherence to the "Northern Tier".

A. Egypt's ability to get such an agreement at this time is attributable to the boost given Egypt's prestige by its Bloc arms deal.

1. The agreement could very well provide a channel by which Bloc arms could reach Syria. Common arms fund set up

Egypt contributing 65%  
350%

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III. Iraq's reaction is likely to be strong.

A. Iraqis will probably do their utmost to  
subvert the Egyptian-Syrian agreement and  
render it ineffective.

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C. The Israelis will also see the move as  
confirmation of their belief that Egypt  
intends to destroy Israel.

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VII. Along the "northern tier." Iran's announced intention (12 Oct) to adhere to Baghdad pact (Turkey, Iraq, Pakistan, Britian) has brought loud public objections from USSR.

A. Soviets have reiterated that Iranian adherence would violate 1921 and 1927 Iranian-Soviet friendship treaties; have hinted darkly at consequences.

B. Although no evidence that USSR plans to threaten Iran with use of force, Soviet disfavor being made clear.

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1.

Soviet members of joint commission surveying disputed border areas are treating Iranians with "coldest contempt".

2. Yesterday, US Embassy Tehran reported that, although USSR had contracted to purchase 40,000 tons of Iranian rice before Mar '56, only 5,000 tons had been contracted for to date and Sov negotiators were

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3. Since '55 rice crop now being harvested, Sov failure conclude purchases is bringing serious distress to rice farmers. Embassy requests US \$5,000,000 right away to help.

C. Nonetheless, Iranian Senate has already voted adherence to Baghdad Pact, and Majlis is expected to follow suit.

VIII. Meanwhile, one of key US schemes for development of Middle East--the unified Jordan Valley plan--has been further delayed as a result of decisions reached at the Arab League Foreign Minister's conference in Cairo (9-14 Oct).

A. This delay appears to be compromise between Arab States favoring outright rejection of Jordan plan--particularly Syria and, to a lesser extent, Lebanon--and those who favor at least giving plan further serious consideration--Egypt, Libya and possibly Iraq.



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B. Israelis, however, have in effect set deadline for this process of further Arab "consideration" of plan by stating to Johnston that they would postpone *only* until about 1 Mar '56 resumption of work on Israel's own alternate development project (*BANAAT YAAQOV CANAL*).

- C. Thus, hope for a successful outcome to the development scheme appears to rest on Egyptian Premier Nasr's willingness and ability to pressure other Arab League members into a favorable decision before the Mar '56 deadline.
1. This Nasr claims he can and will do within two to three months.
  2. However, Nasr's position--despite prestige he has gained from Bloc arms deal--is not yet strong enough to permit him luxury of gestures which could be interpreted by enemies at home and abroad as

conciliation towards Israel  
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X. In midst these tensions, Soviet Bloc has added new element by broadening Middle East aid offers from ~~the~~ arms to general economic help.

A. Soviet ambassador in Cairo announced on 10 Oct that USSR is ready to give all such aid Arab states may need.

B. [REDACTED] USSR has 25X1X4  
offered to help Egypt finance its billion-dollar-plus "high dam" at Aswan at interest rate 2%.

C. Czechs have asked for specifications on Lebanon's Litani River project, apparently with intent of entering the bidding.

1. US Embassy Cairo notes that USSR might back such a scheme, as alternative to stalled Jordan Valley plan.

**D.**

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**E. Such actions indicate a long-range Soviet policy of penetration in Middle East, over and above shorter-range objective of undermining "northern tier" from the rear.**

# INDONESIA

I. Based on latest unofficial returns (UP, 18 October) representing over 90 percent of the votes cast, strengths of the four major parties are:

	<u>Percent</u>	<u>Vote</u>
National Party	25.3	7,761,000
Masjumi	24.8	7,601,000
Nahdlatul Ulama (NU)	21.6	6,609,000
Communist Party	19.6	6,016,000
All Others	8.5	2,600,000
Total		30,587,000

II. Parliamentary seats are so allocated in Indonesia that despite the National Party's lead, the Masjumi's majority in areas outside Java may give it slightly more seats than the National Party in the new parliament which will be convened early next year.

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III. Seats will not be allocated until elections are completed and votes are officially counted.

- A. Approximately 10 percent of the electorate in unprepared or dissident areas has not yet voted and another seven percent may be required to vote again in Central Java.
- B. This may hold up official count and allocation of seats until after 29 November deadline set for completion of elections in all areas.

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WORLD REACTION - REPLY TO BULGANIN

I. Reaction to President Eisenhower's 12 Oct reply to Premier Bulganin's 19 Sep personal letter regarding the disarmament problem has been extremely sparse.

A. As of midnight 19 October, the only Soviet <sup>(OR SATELLITE)</sup> ~~Bloc~~ response has been a single commentary broadcast from Moscow (in English, to North America only), which "welcomed" the President's reply as "reflecting a desire to promote mutual understanding."

1. The commentator, Stepanov, evaded discussion of the US offer to accept the Soviet-proposed "check-point" system as a quid <sup>PRO</sup>quo for Soviet agreement to the US "blueprint" plan. He said only that the President "expressed agreement" with the

(FOUR DAYS AFTER THE "KEY'S REPLY")  
B. A PRAVDA editorial of 16 Oct, calling the US position on disarmament the "main obstacle to agreement", went on to say that the USSR "still expects" replies to "a number of questions" raised by Bulganin.

*ONE OF THE FEW OTHER NOTICES THAT THE REPLY CAME FROM BELGRADE*

C. <sup>^</sup> On 13 Oct, the Yugoslav home service broadcast a commentary devoted to ~~the~~ <sup>V.I.</sup> ~~President's~~ reply. Key note: "Eisenhower's reply to Premier Bulganin is based on a realistic approach to the very difficult and complicated disarmament problem. Consequently, the letter can be appraised as a good sign and an encouragement on the eve of the forthcoming meeting of the Foreign Ministers..."

II. Western European reaction has also been meagre. Where any has been noted, it has been the fact of the reply--rather than its

- A. Thus, particularly in Scandinavia, the President's reply has been interpreted as a sign of Eisenhower's returning physical strength after his heart-attack.
  - B. European supporters of the US position on disarmament have found encouragement in this evidence of returning vigor.
- III. There has been no reaction in the Near and Middle East, although an offer by India's Krishna Menon to be "helpful" in connection with the US-USSR standoff on disarmament came after publication of Eisenhower's reply to Bulganin.
- IV. In the Far East, the official Chinese Communist organ, the Peiping "People's Daily" carried the text of the reply on 14 Oct, but refrained from any comment. No other Far Eastern reaction has been reported.



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SIGNIFICANCE OF FRENCH DESIRE TO DISSOLVE  
PARLIAMENT

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4. PARLIAMENTARY MAJORITY (330) INCLUDED  
ALL OF THE COMMUNIST BLOC PRESENT (94) .  
VIRTUALLY ALL OF THE MRP (78) AND HEAVY  
MAJORITY OF THE INDEPENDENTS AND ARS.

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5. THE RADICAL SOCIALISTS WERE EVENLY  
DIVIDED ~~WITH A MAJORITY OF APPROXIMATELY~~  
~~BETWEEN~~  
~~10 PRO~~ FAURE AND ~~AGAINST~~ MENDES.

6. RADICALS AND MRP PROPONENTS  
MOTIVATED IN LARGE MEASURE BY DESIRE TO  
ACT RAPIDLY IN ORDER TO HEAD OFF RESURGENCE  
OF MENDES-FRANCE.

7. THE COMMUNISTS HOPE TO BENEFIT  
BECAUSE OF DISCORD AMONG THE CENTER PARTIES  
AND ALSO BECAUSE THEY HAVE GREATER CHANCE  
OF ALLIANCES WITH THE SOCIALISTS IF MENDES-  
FRANCE UNABLE TO FORM HIS LEFT CENTER  
ALLIANCE.

MAY WELL FEEL THAT HEADING OFF A VITAL  
LEFT OF CENTER GOVERNMENT, SUCH AS MENDES-  
FRANCE MIGHT PRODUCE AFTER A JUNE 1956  
ELECTION, WILL BE TO THEIR ADVANTAGE IN  
PRESERVING FOR THEM THE CURRENT  
IMMOBILISM IN FRENCH POLITICS AS A TARGET.

Chamber Vote  
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 on Early Elections

Party (str)	For	Against
Communists (98)	92	0
Socialists (103)	0	92
UDSR (24)	6	12
Ind Outr Mor (16)	12	0
M R P (88)	78	3
Radical (75)	<del>32</del> (?)	31 M Fd Dakines
Independents (55)	43	5
" Peas. (27)	20	5
Gaullists (69)	5	47
Peasants (21)	10	7
ARS (32)	29	2
Unaffiliated 15	3	7
	330	211